

LEASE

THIS LEASE, entered into this _____ day of _____, 20_____, by and between **FAUQUIER COUNTY BOARD OF SUPERVISORS**, a body politic, whose address is 10 Hotel Street, Suite 208, Warrenton, Virginia, 20186, (hereinafter called "Tenant") and **AHC HOLDINGS, L.L.C.**, whose address is c/o A.R.M.I., Post Office Box 606, Warrenton, Virginia, 20188, (hereinafter called "Owner"), and **AUSTIN REALTY MANAGEMENT & INVESTMENTS, INC. (ARMI)**, whose address is P. O. Box 606, Warrenton, Virginia, 20188, (hereinafter called "Realtor/Agent").

1. **PREMISES**

WITNESSETH, that the Owner does hereby let and demise to Tenant the following property located in Fauquier County identified as: 70 Main Street, Suite #43, Warrenton, VA 20186, consisting of approximately 3210 square feet, more or less, of rentable area located on the 4th floor and including:

- a. Eight (8) individual offices.
- b. Large center conference/work area.
- c. A large reception area.
- d. Various storage rooms.
- e. Use of the common areas to include the restrooms.

2. **USE**

A. The premises are leased upon the condition that the Tenant will use the same lawfully, only for the purpose of an office for County Offices and Administration and for no other purpose. Owner acknowledges and agrees that the leased space will be used by the Fauquier County Commonwealth Attorney's Office and that such use is contemplated by the terms of this Lease.

B. The Tenant shall not assign this Lease, nor sublet the premises or any part thereof nor use the same, or any part thereof, nor permit the same, or any part thereof, to be used for any purpose other than as above stipulated, nor make any alterations therein without the written consent of the Owner.

C. That the Tenant shall promptly execute and comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State and Local Government and any and all departments and bureaus applicable to said premises, for the correction, prevention, and

abatement of nuisances or other grievances, in, upon, or connected with said premises during said term; and shall also comply with and execute all rules, orders and regulations for the prevention of fires, at Tenant's own cost and expense, provided, however, that the need to execute and comply with all statutes, ordinances, rules, orders, regulations and requirements shall arise out of, or be it a direct result of, the Tenant's use of the premises.

3. TERM

The term of the Lease shall be One (1) Year commencing on August 1, 2004, and fully ending at midnight on July 31, 2005. This Lease may be renewed for up to three additional one (1) year terms by written notice of the Tenant to the Owner 90 days prior to the expiration of any term. Rent shall be increased by 3% per year during any renewal term.

4. RENT

The rent for the term of the Lease shall be FIFTY SEVEN THOUSAND SEVEN HUNDRED EIGHTY and 00/100 DOLLARS (\$57,700.00), payable as follows: the sum of FOUR THOUSAND EIGHT HUNDRED AND FIFTEEN and 00/100 DOLLARS (\$4,815.00) due August 1, 2004, and subsequent payments of FOUR THOUSAND EIGHT HUNDRED AND FIFTEEN and 00/100 DOLLARS (\$4,815.00), all payments to be made to A.R.M.I. FOR AHC HOLDINGS, LLC., c/o P. O. Box 606, Warrenton, VA 20188, on the first day of each month in advance beginning August 1, 2004, without demand, and without any deduction or offset whatsoever or at such place and to such other person as the Owner may from time-to-time designate in writing.

5. LATE PAYMENT CHARGE

- A. In the event the Owner or his Agent does not receive from the Tenant any installment if rent by the fifth (5th) day of the month of which the installment is due, a late fee of Ten Percent (10%) of the base rental amount shall be due as additional rent, beyond the tenth (10th) day an additional charge of Twenty Dollars (\$20) per day will be charged.
- B. Any returned check or draft will be considered a non-payment and all penalties will apply.

6. RETURNED CHECK CHARGE

Rent paid by check which is returned for insufficient funds or otherwise shall be deemed unpaid until the day there has been substituted therefore either cash or certified check, and the Agent shall have the right to assess a service charge of Twenty Eight Dollars (\$28.00).

7. SECURITY DEPOSIT

- A. Tenant shall deposit Four Thousand Eight Hundred Fifteen and 00/100 Dollars (\$4,815.00) with the Owner or his Agent as security for the full and faithful performance by Tenant of every provision, covenant, and condition of this lease, without liability for interest.
- B. In the event that Tenant defaults with respect to any such provisions, covenants, or conditions, including, but not limited to, payment of rent and additional rent, Owner may use, apply, or retain all or any part of such security deposited, for the payment of rent and additional rent in default, or for any other sum which Owner may expend or be required to expend by reason of any default by Tenant, including any damages or deficiency in the re-letting of the property, whether such damages or deficiency accrue before or after re-entry by Owner. The Tenants liability shall not be limited to the amount of the security deposit.
- C. In the event the Tenant shall fully and faithfully comply with every provision, covenant, and condition of this lease, such security deposited shall be returned to Tenant after the removal of Tenant and surrender of possession of the property, in broom clean condition, and in good and substantial repair and condition (normal wear and tear excepted) and within thirty (30) days after the expiration of the term of this lease.
- D. This security deposit shall not be used or applied by Tenant as a substitute for rent.

8. CONDITION OF PREMISES

- A. The Tenant acknowledges and agrees that, except as expressly set forth in the lease, there have been no representations or warranties made on behalf of the Owner or Agent with respect to the suitability of either the premises or the building with respect for the conduct of the Tenant's business.
- B. The taking of possession of the premises by the Tenant shall conclusively establish that the premises and the building were at the time in satisfactory condition and repair. Tenant hereby accepts the premises in the condition they are in at the beginning of this lease and agrees to maintain said premises in the same condition, order and repair as they are at the commencement of said term, excepting only reasonable wear and tear arising from the use thereof under this agreement, and to make good to said Owner immediately upon demand, any damage to water apparatus, or electric lights or any fixture, appliances or appurtenances of said premises, or of the building, caused by any act or neglect of

Tenant, or of any person or persons in the employ or under the control of the Tenant.

9. UTILITIES AND SERVICES

- A. Owner shall be responsible for providing HVAC services, water and sewer utility, and electric service at Owner's expense.
- B. Owner shall not be responsible for utility failures, and the Tenant shall not be entitled to any offset or rebate of rent due to any utility failure.

10. MAINTENANCE AND REPAIRS

- A. Owner shall keep the roof, downspouts, exterior and bearing walls, foundations in good repair and order during the term herein. In addition, Owner and Tenant jointly shall keep the common areas of the premises in good repair and order during the term hereof. Tenant agrees to advise the Owner in writing immediately of any defects or repairs required to be made by Owner and of any damage to the premises.
- B. Owner shall not be required to make any structural alterations or improvements excepting those repairs resulting from normal wear and tear.
- C. Tenant shall be responsible for the routine maintenance of the leased premises, including replacement of light bulbs and janitorial.

11. DESTRUCTION BY CASUALTY

In the event the premises shall be destroyed or so damaged or injured by fire or other casualty during the life of this agreement, whereby the same shall be rendered untenable, then the Owner shall have the right to render said premises tenantable by repairs within ninety (90) days therefrom. If said premises are not rendered tenantable within said time, it shall be optional with either party hereto to cancel this lease, and in the event of such cancellation, the rent shall be paid only to the date of such fire or casualty. The cancellation herein mentioned shall be evidenced in writing.

12. DEFAULT

- A. The prompt payment of the rent for said premises upon the dates named, and the faithful observance of the rules and regulations printed upon this lease, and which are hereby made by the Owner, are the conditions upon which the lease is made

and accepted and any failure on the part of the Tenant to comply with the terms of the said lease, or any of said rules and regulations now in existence, providing proper written notice has been given to Tenant and his acceptance of the additional rules and regulations accepted by him in writing, shall at the option of the Owner, work a forfeiture of this contract, and all of the rights of the Tenant hereunder, and thereupon the Owner, his agents or attorneys, shall have the right to enter said premises but not sooner than thirty (30) days after default, and remove all persons therefrom forcibly or otherwise.

- B. If the Tenant shall abandon or vacate said premises before the end of the term of this lease, or shall suffer the rent to be in arrears, the Owner may, at his option, forthwith cancel this lease or he may enter said premises as the agent of the Tenant, by force or otherwise, without being liable in any way therefore, and re-let the premises with or without any furniture that may be therein, as the agent of the Tenant, at such price and upon such terms and for such duration of time as the Owner may determine, and receive the rent therefore, applying the same to the payment of the rent due by these presents, and if the full rental herein provided shall not be realized by the Owner over and above the expenses to Owner in such re-letting, the said Tenant shall pay any deficiency.

13. ACCESS TO PROPERTY

The Owner or any of his agents, shall have the right after notice to Tenant and with no disruption of business operation, to enter said premises during all reasonable hours, to examine the premises to make such repairs, additions, or alterations as may be deemed necessary for the safety, comfort, or preservation thereof, of said building, or to exhibit said premises, and to put or keep upon the doors or windows thereof a notice "FOR RENT" at any time within ninety (90) days before the expiration of this lease, the right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions, which do not conform to this agreement, or to the rules and regulations of the County.

14. BANKRUPTCY / INSOLVENCY

- A. If the Tenant shall become insolvent or if bankruptcy proceedings shall be begun by or against the Tenant, before the end of said term the Owner is hereby irrevocably authorized, at its option, to forthwith cancel this lease, as for a default. Owner may elect to accept rent from such receiver, trustee, or other judicial officer during the term of their occupancy in their fiduciary capacity without effecting Owner's rights as contained in this contract, but no receiver, trustee, or other judicial officer shall ever have any right, title or interest in or to the above described property by virtue of this contract.

- B. Tenant hereby waives and renounces for himself and family any and all homestead and exemption rights he may now, or hereafter, under or by virtue of the constitution and laws of the State of Virginia, or of any other State of the United States, as against the payment of said rental of any portion hereof, or any other obligation or damage that may accrue under the terms of this agreement.

15. INSURANCE / LIABILITY

- A. To the extent permitted by law, Tenant agrees to indemnify and save Owner harmless against and from any and all claims, damages, costs, and expenses, including reasonable attorney's fees, arising from the conduct or management of the business conducted in the leased premises or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or from any act of Tenant, its agents, contractors, servants, employees, sublessees, customers, invitees, or licensees in or about the leased premises. In case any action or proceeding be brought against Owner by reason of any such claim, Tenant, upon notice from Owner, covenants to defend such action or proceeding by counsel satisfactory to Owner. It is further understood and agreed that Owner shall not be liable and Tenant waives all claims for, or arising out of, damage to person or property sustained by Tenant or Tenant's agents, contractors, servants, employees, customers, invitees, or licensees, resulting from the building in which the leased premises are situated, or the leased premises, or any equipment or appurtenances, becoming out of repair, or resulting from any accident in or about said building or the leased premises, or resulting directly or indirectly from any act of neglect of any other tenant or of Owner.
- B. Tenant agrees to procure and maintain a comprehensive general liability policy or policies of insurance, at its own cost and expense, insuring Owner, Tenant and such additional persons as Owner may reasonably require from all claims, demands, or actions for injury to, or death of more than one person in an amount of not less than \$250,000 and for injury to, or death of more than one person in any one accident to the limit of not less than \$500,000, made by or on behalf of any person, firm, or corporation, arising from, related to, or connected with the conduct and operation of any business in the leased premises. Said insurance shall not be subject to cancellation except after 10 days prior written notice to Owner, and the policy or policies, or duly executed certificate or certificates for the same, together with satisfactory evidence of the payment of the premium thereon shall be deposited with the Owner at the commencement of the term, and renewals of such insurance not less than 30 days prior to the expiration of the term of such coverage.

- C. Tenant is responsible for retaining appropriate liability insurance for necessary utilization of the property for his purposes. All insurance policies shall name Owner as additional party insured. Copies of said policies must be delivered to the Owner or his agent within thirty (30) days from the commencement of this Lease.
- D. Owner agrees to maintain at its expense such fire and extended coverage insurance on the building in which the leased premises are situated and in such amounts as Owner shall deem appropriate. Tenant agrees not to do, or permit anything to be done, in or about the leased premises that will, in any way, impair or invalidate the obligation of any policy of insurance with respect to the leased premises or the building in which the leased premises are situated. Tenant agrees to pay upon demand, as additional rent, any increase in insurance premiums resulting from the business carried on in the leased premises even though Owner has consented to same.

16. NOTICES

Any notice or demand which, under the terms of this Lease, or by any statute or ordinance, must be given or made by a party hereto, shall be in writing and may be given by ordinary or certified mail sent to the aforementioned address of the other party in question, or to such other address as such party may, from time-to-time, designate by notice. No such notice or demand shall affect Owner or Tenant unless it, or a copy thereof, shall be given or made by a party hereto, personally or sent by certified mail to its principal office.

17. SIGNS

- A. Tenant will not erect, place, construct or attach on the interior or exterior of the premises any signs or other matters without the written consent of the Owner.
- B. All signs must meet with approval of Owner.

18. ALTERATIONS

- A. The Tenant will not, without the Owner's prior written consent, which will not be unreasonably withheld, make any changes, alterations, or improvements in the interior or exterior of the premises. Any improvements shall meet with the approval of the Owner, and will be made with proper surety given to Owner against possible mechanics' liens.

- B. At Owner's option, any such improvements at the end of the demised term are to become property of the Owner. At the option of the Owner, the Tenant shall not be required to restore the premises to their original condition, but shall surrender the same to the Owner at the expiration of the term herein demised, in as good condition as when received, normal wear and tear excepted.
- C. At Owner's option, all additions thereto, without the written consent of the Owner, and all additions, fixtures or improvements which may be made by Tenant, except movable office furniture and trade fixtures, shall become the property of the Owner and remain upon the premises as a part thereof, and be surrendered with the premises at the termination of this lease or may be removed by the Owner.

19. ESTOPPEL CERTIFICATES

From time-to-time as needed, Tenant, at Owner's request, shall provide Owner with an estoppel certificate confirming the terms of this Lease and the condition of the leased premises.

20. ADDITIONAL PROVISIONS

The attached addendum, if any, bearing the signatures of all parties concerned is hereby made a part of this Lease. Addendum attached: Yes [☐] No [☒]

21. TYPEWRITTEN OR HANDWRITTEN PROVISIONS

Typewritten or handwritten provisions included in this contract shall control all printed provisions in conflict therewith.

22. MODIFICATION

- A. This Lease constitutes the entire agreement among the parties. It may not be modified or changed except by written instrument executed by Owner, Tenant, and Agent. The invalidity of any particular clause of this Lease by order of court or decision of any judicial authority having jurisdiction over the same shall not be construed to void or invalidate the Lease in its entirety.
- B. This contract shall bind the Owner and its assigns or successors, and the heirs, assigns, administrators, legal representatives, executors or successors as the case may be, of the Owner.

- C. It is understood and agreed between the parties hereto that time is of the essence of this contract and this applies to all terms and conditions continued herein.
- D. The rights of the Owner under the foregoing shall be cumulative, and failure on the part of the Owner to exercise promptly any rights given hereunder shall not operate to forfeit any of the said rights.

23. TERM SUBJECT TO LAWFUL APPROPRIATION OF FUNDS

The obligations of the Board of Supervisors contained in this Lease are subject to the lawful appropriation of funds by the Fauquier County Board of Supervisors for the purposes stated herein. To the extent that sufficient funds are not appropriated for the full terms of this agreement, said Lease shall expire at such time as those funds which have been appropriated for this purpose have been exhausted, at which time all parties shall be released from any and all liability hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this instrument for the purpose herein expressed, the day and year above written.

Signed, sealed and delivered in the presence of:

Tenant:

FAUQUIER COUNTY BOARD OF
SUPERVISORS

By: _____
Print Name: _____
Title: _____

Landlord:

AHC HOLDINGS, L.L.C.

By: R. A. Smith Management, Inc.

By: _____
Robert A. Smith, President